

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, California 95814



September 24, 1999

ALL COUNTY LETTER NO. 99-73

TO: ALL COUNTY WELFARE DIRECTORS  
ALL IAR PROGRAM CONTACTS

**REASON FOR THIS TRANSMITTAL**

- ☐ State Law Change
- ☒ Federal Law or Regulation Change
- ☐ Court Order or Settlement Agreement
- ☐ Clarification Requested by One or More Counties
- ☒ Initiated by CDSS - Policy Clarification

SUBJECT: RESTRICTIONS FOR INTERIM ASSISTANCE REIMBURSEMENT (IAR)  
FOR STATE ONLY FOSTER CARE CHILDREN AND GENERAL  
ASSISTANCE RECIPIENTS.

REFERENCE: ALL-COUNTY LETTER No. 94-42

The Social Security Administration (SSA) has requested that the Department provide clarification of a federal Interim Assistance Reimbursement (IAR) Foster Care policy transmitted in a previous All-County Letter (ACL). The policy at issue regards who may sign an IAR Agreement and is located on Page 2, Paragraph 4 of ACL No. 94-42. Other than this paragraph, the information and procedures provided in ACL No. 94-42 remain in effect.

A representative of an IAR agency is prohibited from signing the IAR authorization on behalf of a Supplemental Security Income/State Supplementary Payment (SSI/SSP) applicant if the IAR agency is also the legal guardian or the SSI/SSP representative payee applicant for the client. Only SSI/SSP applicants themselves, parents whose parental rights are intact (if the SSI/SSP applicants are minors), legal guardians who are not IAR agency representatives, and SSI/SSP representative payee applicants who are not IAR agency representatives may sign IAR authorization agreements. Although General Assistance (GA) payments may be affected by this policy clarification, it primarily affects State-only foster care cases where the IAR agency is also the foster child's legal guardian or SSI/SSP representative payee.

This policy is the result of SSA's determination that there exists a potential conflict of interest between an SSI/SSP applicant/recipient's financial interests and an IAR agency's financial

interests when the agency's representative is permitted to sign the IAR agreement on behalf of both parties. Consequently, IAR agencies will no longer be able to receive reimbursement through the IAR Program for some state-only foster care benefits and possibly some GA benefits paid pending the pertinent recipients' SSI/SSP eligibility determinations.

SSA's Field Office staff have been applying this policy to all new applicable and pending SSI/SSP claims. Should an SSA office receive an IAR authorization signed by an IAR agency for an individual for whom the agency is also the legal guardian or SSI/SSP representative payee applicant, the IAR authorization agreement will be returned with the following notation: **"IAR authorization is returned because it does not contain a valid IAR applicant's signature."**

Notwithstanding the above, IAR agencies are not unconditionally prevented from receiving reimbursement for benefits paid to the recipients described above. For such cases, it may be possible for SSA's "Representative Payee as Creditor" procedures to be utilized in lieu of the IAR Program. However, reimbursement via this process is granted by SSA on a case-by-case basis and requires their advance approval. IAR agencies must contact their SSA Field Offices for complete instructions regarding the "Representative Payee as Creditor" reimbursement procedures.

Finally, when the past due SSI benefits for an individual under age 18 exceed six times the recipient's Federal Benefit Rate plus any federally administered State Supplement, Section 13 of the Social Security Act as amended by Public Law 107-193 requires the payee to establish a dedicated account in order to receive these funds. Use of funds from such an account is restricted to certain expenditures related to the child's disability. Reimbursement of basic foster care payments is not a permitted expenditure. Questions about permitted expenditures should be referred to the SSA Field Office.

If you have any questions regarding the IAR Program, please contact Vickey Walker, Manager, Operations and Technical Assistance Unit, at (916) 229-4596. Questions regarding the Foster Care Program should be directed to the Foster Care Development Bureau, at (916) 324-5809.

***Original Signed By:***  
***Wesley Beers On 9/23/99***

WESLEY BEERS  
Acting Deputy Director  
Children and Family Services Division

***Original Signed By:***  
***Donna L. Mandelstam On 9/24/99***

DONNA MANDELSTAM  
Deputy Director  
Disability and Adult Programs Division

cc: CWDA